



EMPLOYMENT

✘ DANGER

12. FORCED RETIREMENT RISK

There is always the possibility of forced retirement due to poor health, disability, job loss, or to care for a spouse or family member. This event can quickly derail a retirement plan.

✔ EXAMPLE

Michelle plans to work until age 65, but here employer goes out of business when she is 59.

13. REEMPLOYMENT RISK

For retirees planning on working in retirement, reemployment risk is the inability to obtain employment. This could be due to poor health, a lousy job market or other conditions.

Bob was hoping to continue working in a limited capacity at the local super market to supplement his retirement income. However, he cannot find any place hiring due to a bad job market.

14. EMPLOYER INSOLVENCY RISK

If an employee has financial problems, employees may lose their jobs years before they are financially ready to retire.

George is an engineer for a large manufacturing company. Due to financial problems, they are forced to lay off 20% of their employees and George loses his job. He worries that the company may go under completely and whether they would still be able to pay his pension.

15. LOSS OF SPOUSE RISK

The loss of spouse is a major personal loss and can also be an enormous financial loss without a proper plan in place.

Sue and Allen were enjoying a happy retirement and it seemed that they were financially secure. However, Allen passed away unexpectedly and now Sue is only receiving one Social Security check instead of two for the household. She is having trouble making ends meet.